

EXPECTATIONS AND REALITIES OF BRAIN DRAIN FROM GEORGIA

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Abstract

The purpose of the project was to determine an overall positive and negative consequence of brain drain from Georgia. It is well known, that phenomenon of brain drain effects, as countries of origin, so countries of destination. But in this thesis I would like to hold your attention on the expectations of government in sender countries from population brain drain process and anticipation of qualified labor forces in emigration. In my research I have studied programs and projects held and supported by government of Georgia in migration management. I also surveyed Georgian emigrants in Czech Republic and potential emigrants in Georgia. The survey showed me various expectations of qualified emigrants and level of their main emigration aim fulfillment. After analyzing the survey results I was able to determine inadequacy in government and emigrants activities on the way of realizing their anticipations. In conclusion I generated some important recommendations for Georgian government for constructive approaches in optimization of qualified labor resource migration management.

Key words: migration, brain drain, management, Georgia.

JEL Code: J01, J20, J40, J60

Dictionary of Terms:

- **Brain drain**- is the large-scale emigration of high skilled individuals.
- **Brain gain**- is an opposite situation, in which many trained and talented individuals seek entrance into a country.
- **Brain lose**- is emigration of skilled workers, without a hope of their return to their homeland.
- **Brain circulation**- if migrants regularly or occasionally return to their countries to share the benefits arising from the skills and knowhow they have gained during their stay and work abroad.

- **Bran waste**- situation when someone is employed on the lower position for which his/her qualification is too high, especially in case of foreigners and immigrants.
- **The poor employee** - employee with low wage.
- **Circular migration** – is "the fluid movement of people between countries, including temporary or long-term movement which may be beneficial to all involved, if occurring voluntarily and linked to the labour needs of countries of origin and destination"¹.

Introduction

Intensity of migration has began increasing since 18 century (including the slave trade) and it went on increasing in the 19th century too (Manning, 2005). Professor of World History Manning distinguishes three main types of migration: labor migration, refugee migration and urbanized migration.

International labor migration reached its peak in the early 20th century, when 3 million people migrated annually (Manning, 2005). This type of migration fell to a lower level in the years 1930 to 1960, and then rose again. At the end of the 20th century, international migration was promoted by a rapid progress and development of transportation, communication and worldwide globalization; which, for its part accelerated the process of international movement of goods and human resources. As in the late 20th century, at the time of intensive globalization, so today, the international migration of human resources is the actual challenge as for sending countries so for the countries of destination. As every socio-economic phenomenon international migration has its positive and negative consequences. Individual states are trying to make the migration as much profitable as possible, while reducing its negative effects. For host countries especially profitable is the immigration of skilled human resources, but for the sending countries emigration of skilled human resources, without migration management, is a negative phenomenon. The most unpleasant is this type of emigration for developing countries, because skilled workers are important source for intensive development of the state during the radical changes.

Due to the complexity of the skilled workers migration phenomenon it is required a coordinated approach in dealing with problems not only at governmental but also at intergovernmental and international level (Findley A. W.T.S. Gould 1989). To understand the importance of migration for developing country such as a Georgia, it is necessary to look into

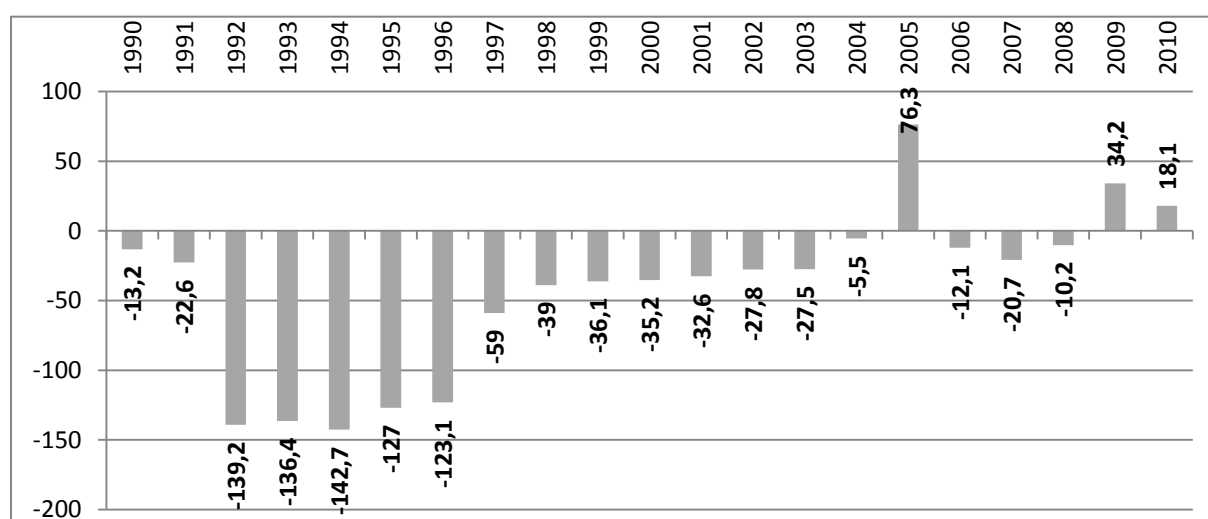
¹ Source: IOM World Migration Report, 2008 (available from: http://publications.iom.int/bookstore/free/WMR_1.pdf)

the migration process of local labor forces. On the way of development, Georgia has its own specific problems. That is why I think it is necessary to review attentively the history of the development of post-Soviet Georgia till the present; define its socio-economical, political and demographical factors influencing migration trends and especially the emigration of skilled workers from the country. After discussing the above mentioned factors, I'd like to find out expectations of emigrants and Georgian government from phenomenon of brain drain from Georgia; it is extremely interesting how the expectations match with realities.

1 Post soviet Georgia and its development short chronology

The collapse of Soviet Union noticeably changed the nature of migration flows across the region. Earlier internal migration within one country suddenly gained a nature of international migration. Migration in this region has become an important phenomenon not only in time of transformation, but also after its completion. Basic vector of post-Soviet migration was directed from Southern Caucasus countries to Russia. Since 1990 to 1996 from Georgia to Russia emigrated (according to unofficial information) of about one million people (Tukhashvili, 1996). Extensive ethnic conflict in Abkhazia region (1992 - 1993) had a heavy impact on civilians. Many citizens of Georgia, mainly within 1992 – 1997, left the country and searched for better life abroad (William B. W. 1994). As it is shown in figure 1, according the Georgian State Statistics Office, the wave of migration from Georgia started after the collapse of the USSR and its declaration of independence. There were several major motives and reasons: within the years 1992 - 1997 Georgia was experiencing period of war and economic crisis, which is evident from the demographic and migration balance of these years.

Fig. 1: Migration balance in Georgia since 1990 till 2010



Source: author (based on information available from:
http://www.geostat.ge/index.php?action=page&p_id=173&lang=eng).

From 1997 to 2004, the situation in the country began to stabilize, and soon in 2005 (several years after the "Rose Revolution") net migration balance became positive. Of course existing political stability and economic growth had big impact on it. Since 2006 governmental anti-corruption reforms have caused negative balance of migration. Many citizens have lost their jobs only because they were older than 45 years and worked for the corrupted government of Eduard Shevardnadze². The positive development of migration balance in the years 2009-2010 was a result of the global financial crisis; in that period Georgian emigrants have lost their jobs abroad and therefore had to return to home land.

Despite the "post revolution" rapid economic development of Georgia, level of unemployment remains high³, which causes demographic and economic problems to Georgia. As there is no institution in Georgia providing information about the number and qualification of needed professionals the labor market stays disorganized and without supply-demand forecasting system. This situation on the labor market is leading labor resources to emigration. Formation of the labor market in Georgia began in a time of economic collapse - the economy of post-socialistic country was paralyzed due to loss of sales market and partners. At the same time had enhanced the financial, economical and social crisis and worsened the ethnic conflicts. In this situation, remained labor force without functions and perspectives, which meant, that people in productive age who supposed to contribute to country development, became socially unprotected. It should be noted that part of the economically active population that remained on the labor market of Georgia, faces unsolvable problems such as: Limited opportunities of employment; large imbalance between supply and demand on labor market; low labor flexibility and mobility; low salaries; long-term unemployment problem; the high unemployment rate among people with high education; high level of "unofficial" employment; undeveloped infrastructure of labor market. Even today, there is no ministry or office in the country that could fulfill basic tasks, such as: support a people seeking employment; support in their professional orientation; professional trainings; achievement correspondence between demand and supply on labor market; organizing links between employees and employers; coordinating activities of various agencies and offices, and finally achieving higher employment rate.

If we talk about education in Georgia in the post-Soviet period, it is necessary to underline, that the Georgian education system was part of the Soviet system, which in many

² Eduard Shevardnadze - the second president of Georgia (since 1995 until 23 November 2003) and former Foreign Minister of the USSR

³ According to the latest data of Georgian statistical authority, the unemployment rate in 2010 was 16.3% (source: available from: http://www.geostat.ge/index.php?action=page&p_id=146&lang=eng).

ways explains the massive emigration of Georgians to the Russian Federation (between years 1990 and 2000), including the emigration of skilled workers. Poverty and minimal education funding caused the growth of corruption in the education system, which meant getting university degrees by bribing professors or executives of the universities (Chelidze, 2007-2008). In such condition Georgia has spent more than a decade before it began to implement effective reform of the system. Also it was lost several generations of students who should already contribute to the socioeconomic development of the country. The overall situation in science, higher education and on the labor market for graduates has radically changed over the past 5-7 years. Changes occurred in the structure and content of education: the transition from the old Soviet system to the developed European system and standard, (10 point system high school ranking, unified national entrance exams and 100 points university system ranking on the basis of which is determined the amount of state scholar for students) is still insufficient, as there is still a very high motivation of students to obtain a better education and look for more opportunities of studying abroad.

I think, after analyzing above mentioned situation in Georgia, it is interesting to view what kind of programs and projects were realized by Georgian government and what are the expectations from those activities?

2 Programs of the Georgian government and NGOs, aimed against the brain drain and supporting brain gain

The government of Georgia is trying his own and through international organizations to control, regulate and manage migration process in and out the country. But the problem is complex and requires a comprehensive approach. He is considering whether to force its emigrants return to Georgia and thereby increase social tensions or leave it without controlling and continue orienting national economy much more dependent on remittances. Down in the text I'd like to introduce you with programs and projects preventing brain drain and supporting brain gain in Georgia.

The Georgian government is aware that for the development of national economy and for social stability, in pare with large investments, important are foreign remittances from Georgian emigrants. But Georgian Diasporas abroad were not seen only as potential financier, but also as a human resource for country development. Therefore, the government established a minister (in 2008) dealer with Georgian Diaspora abroad and his office was called "Ministry for Diaspora Affairs." In 2010, in the frame of the project "Return to Georgia", the Ministry for Diaspora Affairs together with the Ministry of Economy and stable development in 17 - 19

May organized "business tour" for Georgian entrepreneurs from abroad. Within this tour they were introduced to business environment of Georgia and investment opportunities.

The next project was held together in cooperation with Ministry of Education and Science since 2010 till present. The weekend schools for Georgian children abroad are financed by government. From this project government of Georgia is expecting in future perspective easier return of Georgian emigrants to home land with advanced knowhow and foreign assets.

There was also very interesting program with Georgian government participation, named: Temporary Return of Qualified Nationals – „TRQN I and TRQN II“. In 2008-2009 the project was financed by Nederland Ministry of Foreign Affairs. Through this project several Georgian skilled workers from a broad were temporally returned to Georgia for professional skills exchange among Georgian population⁴. Even more, for legislative support to Georgian emigrants with foreign citizenships, government in 2004 established dual citizenship with presidential confirmation. As we see government of Georgia is attempting to search and attract skilled emigrants back to home land, meanwhile he is also announcing scholarships (since 2005) for Georgian students in abroad universities⁵. In 2009, by initiative of the Georgian First Lady Sandra Elizabeth Roelofs and by support of the "Development and Reforms Foundation under the President of Georgia" was announced the scholarship program - "Stan Storimans"⁶. The program aims to assist the Georgian journalists to enhance their skills and expertise at the top universities in the Netherlands.

Since 2009, the European Commission and United Nations are financing four projects of migration and development through the "JMEDI" funds (Joint Migration and Development Initiative)⁷. The project aims to use full potential of emigrants from Georgia to improve economic development in Georgia (WELTON, G., WINSHIP, E. 2010).

In March 2010, was prepared draft "Agreement between the Government of Georgia and the Government of the Republic of France on "Stay of Qualified Specialists and Circular Migration" based on Brussels Declaration ratified (30 11th, 2009) between the EU and Georgia – in the frame "mobility partnerships". Both sides were confident that migration facilitates bringing people together and mutually agree on the fact that its management plays

⁴ Source: IOM Georgia. available from:

http://www.iom.ge/index.php?activities&assignments&activities_start&photo

⁵ Source: Ministry of Education and Science of Georgia (available from:

<http://www.mes.gov.ge/content.php?id=667&lang=geo>).

⁶ Source: available from: <http://www.storimansscholarship.ge/>

⁷Source: "Migration for Development Community of Practice", available from: <http://www.migration4development.org/>

an important role in the economic, social and cultural development of countries. Draft agreement is under domestic legal procedures. Signature is planned in the nearest future⁸. This agreement sets out the stay conditions of students in French and on Georgian territory. The draft agreement also applies to temporary skilled labor migration.

In conclusion of this chapter I would like to admit, that all above mentioned programs and projects are mainly supporting brain gain. But the problem is that, there is no institution or ministry in Georgia who can officially declare number and skills of worker needed on Georgian labor market (no labor and skills forecasting)⁹. There for, as for me the effort of government seems to be uncoordinated and somehow none aimed. Anyway in the next chapter I would like to familiar you with surveys held in Czech Republic and in Georgia showing expectations and realities of Georgian skilled labor before and after emigration.

3 Survey

In 2010, according to the information from the Georgian Embassy in Czech Republic, 957 Georgian citizens lived legally in CZ¹⁰. In the same year, while working on my PhD thesis in University of Economics Prague, the consular of Georgian Embassy mediate me the contacts of 276 registered Georgian citizens in Czech Republic. By phone and face to face, I surveyed 117 respondents who emigrated from Georgia within 1989 and 2010. Among the respondents there were 65% male and 35% female. Only 51% of respondents were married, the rest 49% were free. By age differences: 35% of respondents were aged between 21 to 30 years, 28% between 31 to 40 years, 19% between 41 and 50 years and 18% achieved a higher age than 50 years. University degree has 83%, which confirms the hypothesis that from Georgia emigrate mostly high educated workers. Work experience in their own field of education before emigration had 40% of men and 19% of women. Rest of the respondents had no practice in their field of education before emigration. Regarding to stay status in Czech Republic: 32% had permanent residence and 68% long term stay. Among them student visa had 32%, 26% entrepreneur visa, 10% had visa for family reunification. If we unite the number of respondents with permanent residence (32%) and with student visa (32%), we can conclude that 64% of respondents are intending to remain in CZ for a long time, which makes this country a target rather than a transit country. As for work experience in the CZ according to its qualification, only 33% of respondents had succeeded.

⁸ Source: Ministry of foreign affairs of Georgia. Available from: http://www.mfa.gov.ge/index.php?sec_id=356&lang_id=ENG

⁹ Source: LALIASHVILI, Z.. "Mezinárodní migrace kvalifikovaných lidských zdrojů; Zkušenosti Gruzie a České republiky", University of economics Prague, 2012.

¹⁰Czech Republic

When I asked the respondents if in the near future (1.5 - 2 years) they are intending to return to homeland, 23% of them answered: YES and 77% - NO. From 117 surveyed respondents 24% considered the reasons for their emigration socio-economic conditions in Georgia, 4% the political situation and 49% of respondents justify "other" causes of their emigration. After my request to explain me what do they mean in "other causes", most of them reported a combination of these reasons as: unemployment, poor social support from the state, employment insecurity, low wages, the dominant position of the employer – as psychologically so legislatively, unstable national economic development, loss of hope in a bright future of his home land.

When analyzing data from questionnaires, I found a very interesting trend in the migration of qualified labor resources from Georgia to Czech Republic. Number of immigrants decreases proportional to their age rise. This means that people emigrate from Georgia in the productive age, which causes rapid aging of the Georgian population. The Georgian population aging is also forced by the fact that 49% of emigrants were unmarried, who have the minimum obligations to return to homeland. This survey also showed me an interesting tendency of work experience of the emigrants, in their field of education before and after emigration. Regarding to this tendency, their willing to stay or return to homeland, once again confirm the hypothesis of "brain drain" from Georgia. And the fact that Georgian qualified workers prefer to work abroad in other fields than those in which they had the degrees but for a higher wages, indicates a negative result from the process of "brain drain" leading to "brain loss" (It is assumed that the reason is phenomenon of : "poor employee" in Georgia). Also we have to take into consideration, that the emigrants were regularly or permanently employed in CZ and receiving a motivating wages. After returning to Georgia their integration and job seeking could take painfully long.

In Georgia I held a second survey. Overall I surveyed 100 respondents by online questionnaire. The lack of this survey is the low number of respondents. The conclusions are therefore informative only, but can also serve as a hypothesis or suggestion for further detailed research in this area. Among the respondents were 51% male and 49% female. 44% were married and the rest 56% were unmarried. By age: 4% were aged between 40 to 50 years, 25% between 30 to 40 years and 71% among 20 to 30 years old. 44% of surveyed men and 48% women had complete university degrees, 8% had not graduated yet from universities. Work experience had 44% male and 47% of female; with no experience were 9% of respondents in Georgia. Currently employed announced themselves 42% of male and 39% of female. For a purpose to study or work in abroad have stayed 18% of male and 12% of

female; 70% of respondents had never left border of Georgia before. When I asked if in the nearest future, are they intending to leave for abroad for more than 2 years? 57% of respondents answered YES and the rest 43% answered NO.

The second survey revealed an interesting tendency in emigration intention of skilled workers from Georgia. 92% of respondents have university degree and almost all of them had some work experience. As a currently employed have had declared 81% of respondents. 57% of respondents confirmed the intention to emigrate abroad. Among them were just 14% currently unemployed. This meant that the other 43% does not encourage the unemployment to emigration, but employment in an unfavorable condition (low wages, feeling of employment instability, slow or no professional growth, troubles in communication with the manager or owner of the company). Such a big number of potential emigrants among qualified employees in Georgia, once again confirms the existence of the problem of "poor workers".

After a deeper questioning of respondents (57%) wishing to emigrate from Georgia, showed that nearly half of potential skilled emigrants are enforced to emigrate (24% from 57%) because of poor socio-economic life conditions in Georgia. As a second motivation factor (17%) was announced the skills improvement in abroad. As a next reason to emigrate (8%) was announced the self-fulfillment on a foreign labor market. These dates point to the sad social and economic situation in Georgia, which pushes the qualified labor to abroad.

4 Conclusion and recommendations

As we see in upper chapters, process of "brain drain" from Georgia is ongoing since collapse of Soviet Union till nowadays. It is just a several years that Georgian government creates or takes part in some programs or projects supporting "brain gain". On his way of development, Georgia faced the challenges with qualified labor emigration. qualified labor force are too necessary for future development of country, that is why Georgian government is trying to prevent unregulated emigration of qualified workers and support their return to homeland. But his expectations seem to me not realizable, because all those programs and projects are fragmentary and nonsystematic. Georgia government has no migration regulation system or policy. And when creating such policy it should be linked to country development strategy, which does not exist in the country yet. As a main problem in creation of such policies I see disorganization of labor market of Georgia. For realization of economy strategy there is no info what labor resource is available on the market and no forecasting system of what would be needed. Here comes another system (system of education) which should be

oriented too on labor market needs. So, when I mentioned about the education system reform in Georgia it just meant the system reform with no development plan. Therefore my recommendations to Georgian government are next: to study the economic potential of Georgia fully and on this basis to develop a strategic plan for economic development of the country. Without a strategic plan for economic development it will be very difficult to protect or create new job places. To create new or protect existing job places, it is necessary to regulate, manage, control and forecast labor market. For this purpose I recommend to Georgian government to establish specific institutional entity (ministry), which assumes the responsibility and share skills with other governmental or non-governmental organizations in the regulation, management and control of the labor market. Main directions of its cooperation I see with Georgian ministries of “Economy and Sustainable Development” and “Ministry of Education and Science”. According to the above mentioned, I recommend the Georgian government to reconsider economy development strategy, migration policy and work out national strategy leading to social, economic, demographic and intellectual development of the state.

The survey (Z. Laliashvili, 2012) identify as main cause of qualified labor emigration from Georgia the "push¹¹" factor, provoked by the poor socio-economic development of the country. As we see most of the emigrants from Georgia have left and are intending to live for a job and higher salary opportunities in abroad and a big part of them are not going to return to homeland. According to this situation we can conclude that main expectations of Georgian qualified workers were realized in emigration. Unfortunately regarding to this situation Georgia is doomed to “brain lose” and country development Slowness. To avoid “brain drain” and final “brain lose” I recommend to Georgian government to change “brain drain” into “Brain circulation” with final affect of “brain gain”. For this purpose Georgian government have: to intensify negotiations with developed countries in “circular migrations” agreements; to prepare for the Georgian population special programs for their retraining according the labor market demand of the beneficiary countries (that is also best prevention against „brain waste“); to bring up Georgian education standards to developed countries standards;

As we see expectations of Georgian qualified emigrants in emigration are being mostly satisfied, what we cannot say on expectations of Georgian government. I think, soon government of Georgia will organize countries internal socio-economical life and soften “push” factors of emigration. In conclusion I would like to admit, that the “brain drain” from

¹¹Everet Lee’s laws divides factors causing migrations into two groups: push and pull factors. Push factors are things that are unfavorable about the area that one lives in.

Georgia is a normal phenomenon as for every developing countries and this kind of problem requests a very constructive approach as from government of sender country so from beneficiary. The next important aspect is that the problem of “brain drain” cannot be solved separately from other excitors of demographic problems. It is a complex of challenges and needs systematic renewal and financing of programs and projects preventing “brain drain”.

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